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EXTRAORDINARY

PART I—Section 1

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MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 31st March 1959

SUBJECT:—Requests for issue of licences or Customs Clearance Permits for replacement of goods short-supplied, short-landed, lost in transit, or those goods found defective or otherwise unfit for use.

No. 20-ITC(PN)/59.—Open General Licence No. IV gives general permission for importation of goods supplied free of charge in replacement of goods previously imported which have been found to be defective or otherwise unfit for use, provided the defect in the goods previously imported was noticed before their clearance from the Customs and was brought to the notice of the Customs authorities and the goods found defective or otherwise unfit for use were actually returned to the manufacturer or consignor, or destroyed, or surrendered to, or vested in Government for such action as they may deem fit, within three months from the date of the clearance from the Customs House. In cases where the importers were unable to fulfil the above conditions, requests for grant of replacement licences were hitherto being considered in terms of the provisions contained in Public Notice No. 78-ITC(PN)/52, dated 25th July 1952. In other cases involving short-shipments, short-landings, or damages, or losses in transit requests for the grant of replacement licences were being considered on merits.

2. It has, however, been represented by the trade that a regular procedure should be evolved for the grant of replacement licences in different types of cases so that the importers could apply for and secure replacement licences without difficulty. The matter has been carefully considered and it has been decided that the following procedure should be followed for the grant of replacement licences:—

- (a) *Short-shipments, short-landings, or losses in transit prior to actual import.*—Where goods are short-supplied, short-landed or lost in transit prior to actual import, but would have been covered by a licence if they had in fact arrived, no fresh licence would be issued to cover the goods supplied in replacement thereof, as the original licence will be available for their import. If the licence had expired, revalidation will be given to facilitate the import of such goods.
- (b) *Goods lost or damaged after import.*—In cases where goods are lost or damaged after import, replacement licences may be issued by the licensing authority if the goods are still covered by the insurance policy at the time of loss or damage. This will normally be the case when the loss or damage is caused on the docks after unloading upto a period of 15 days after landing. But arrangements could also

be made by the parties to have the cover extended upto the time of the arrival of the goods at the inland destination. In such cases, replacement licences may be issued on the production of the following documents:—

- (i) The insurance survey certificate issued by the Lloyds Agents or any other authorised insurance surveyors that the goods were actually lost or damaged in transit.
- (ii) Original evidence of acceptance by the suppliers abroad to replace the lost or damaged goods; or a certificate from the insurance company to the effect that they have accepted the claim for payment of Rs. (the amount to be specified) as the cost of the goods lost or damaged in transit.
- (c) *Goods found defective or unfit for use after import.*—Goods supplied free of charge in replacement of those previously imported and found defective or unfit for use would be allowed to be cleared under Open General Licence No. IV subject to the fulfilment of the conditions specified therein. However, in cases which are not covered by the Open General Licence No. IV, requests for issue of replacement licences will be considered on production of the following documents:—

- (i) The insurance survey certificate issued by the Lloyds Agents or any other authorised insurance surveyors that the goods were actually received in defective condition and required replacement.
- (ii) Original evidence of acceptance by the suppliers abroad to replace the damaged goods free of charge.

In cases where foreign exchange is required for covering further insurance and freight, the amount for which the exchange control copy of the licence should be made valid should be clearly indicated in the application for replacement licence.

- (d) *Cases involving replacement of machinery items.*—It has been represented that in the case of machinery items the defect in any part of the machine or its breakage cannot be ascertained unless the machine or its part is installed (i.e. bolted to the ground) and put in operation. In such cases and also in cases involving replacement of goods which are rendered defective after use during the guarantee period, if the suppliers agree to replace the defective or broken machine or its part free of cost, replacement licences may be issued subject to the production of the following documents:—

- (i) A letter from the foreign supplier stating that the replacement goods are being supplied free of cost.
- (ii) A certificate from a qualified Engineer to the effect that the particular machine or part thereof is considered unfit for use in the main plant etc. for which it is intended.
- (iii) Original evidence showing the date of previous importation of the machinery and the period of guarantee given by the foreign manufacturer/supplier.

In cases, where no guarantees for replacement of goods rendered defective after use have been given by the foreign manufacturers/suppliers and the replacement is required as the machinery is found to be defective on being put into operation, replacement licences will be issued if the importer applies within three months from the date of the arrival of the machinery in his factory or godown, provided the conditions specified above are fulfilled and the replacement is given by the foreign supplier free of charge.

3. Normally no replacement licences will be issued in terms of the above provisions in cases where, at the time of submission of the application, the goods are not licensable to the class of importer concerned according to the import control policy then in force. But in deserving cases, the licensing authorities may make a relaxation in their discretion and issue replacement licences even for banned items, if the previous import for which a replacement licence is sought, was made within the same licensing period or during the immediately preceding licensing period.

4. Applications for the grant of replacement licences in the type of cases mentioned above should be made in the prescribed form and manner complete in all respects to the Licensing authority who had issued the licence against which the goods were previously imported. Such applications should be made immediately within a period of one month after the short-shipment, short-landing or loss in transit is noticed. In cases where goods have been lost or

damaged in transit and the importer has made a claim for the cost of such goods on the insurance company, the fact should be immediately reported to the licensing authority, and applications for replacement licences should be made within one month after the claim has been accepted by the insurance company. Applications received after the period prescribed above will be liable to be rejected.

ORDERS

IMPORT TRADE CONTROL

New Delhi, the 31st March 1959

No. 2/59.—The following Open General Licence issued by the Central Government under the Imports (Control) Order, 1955, is published for general information:—

IMPORT TRADE CONTROL—OPEN GENERAL LICENCE No. LVI

In exercise of the powers conferred by Section 3 of the Imports and Exports (Control) Act, 1947 (XVIII of 1947), as in force in India and as applied to the State of Pondicherry, the Central Government hereby gives general permission to all persons to import from Pakistan, any goods of the description specified in the annexed Schedule, which are produced or processed in Pakistan.

SCHEDULE TO OPEN GENERAL LICENCE No. LVI

S.No. & part of the I.T.C. Schedule	Description of goods
1	2
3/IV.	Fish, not otherwise specified.
4/IV.	Fish, salted, wet.
144/IV.	Hides and skins, raw or salted.

Provided that:—

- (i) Such goods are shipped or despatched on through consignment to India on or before the 30th June, 1959, without any grace period whatsoever; and
- (ii) nothing in this licence shall affect any prohibition or regulation affecting the import of any of the goods specified in the above schedule and in force at the time when such goods are imported.

No. 3/59.—In exercise of the powers conferred by sub-section (1) of Section 3 of the Imports and Exports (Control) Act, 1947 (XVIII of 1947), as in force in India and as applied to the State of Pondicherry, the Central Government hereby directs that the following amendment shall be made in Schedule I annexed to the Imports (Control) Order, 1955 published *vide* Government of India, Ministry of Commerce and Industry Order No. 17/55, dated 7th December 1955, namely:—

In Part I of the said schedule against S. No. 41-A/II for the existing entries in column 2, substitute the following:—

- 41-A/II "Synthetic graphite and amorphous carbon electrodes as used in electric furnaces for production of Iron, Steel, Ferro alloy and non-ferrous metals, Synthetic graphite and amorphous carbon electrodes for use in electrolytic processes, electrode paste and carbon furnace (Liner) Blocks for use in electric furnaces."

S. N. BILGRAMI, Jt. Secy.

